

~~CONFIDENTIAL~~

I.G. RECOMMENDATIONS

1. The DCI establish an executive Director, or Chief of Staff, responsible for supervising and coordinating activities transcending the responsibilities of more than one Deputy.
2. The DCI clarify the responsibilities and authority assigned to the DD/S.
3. The DCI relieve the DD/S of personal responsibility for special assignments, such as the new building, and permit the DD/S to devote maximum time to the direction of the twelve offices and staffs reporting to him.
4. The DD/S develop and state clearly for the guidance of all the concept of the proper role of support as discussed in this report.

DD/S REPLY

No comment except that this action will in my judgment necessitate an increase in the Agency's personnel strengths.

Our Support problems are primarily concerned with the Clandestine Services. With DD/P cooperation I sincerely believe the Support Organization established 3 February 1955 is steadily improving and I doubt that the issuance of additional regulations on the subject would accelerate the considerable studies we are making.

I have tried to keep my immediate offices as small as possible -- maybe I have kept them too small. In any case, special assignments such as the new building seem to me to be appropriately assigned to the DD/S. It has taken and still takes a lot of time -- it has been a heavy load when added to my other duties. However, the history of this whole project which needs no elaboration here has been such that it has required continuing high level attention and I doubt seriously that any other arrangement would have been less of a headache either to DD/S or the Director.

This can and will be done. However, it is my view that the Support role will be improved through continuing the training, cross fertilization and rotation of people rather than through the issuance of additional paper.

~~CONFIDENTIAL~~

[REDACTED] ILLEGIB

5. The DD/S take greater personal responsibility for establishing, coordinating, and supervising the execution of policies designed to improve the caliber of support being rendered to other components of the Agency, especially in the fields of personnel and logistics.
6. The DD/S confer with the DD/P and develop policies to insure a greater rotation of personnel between the two areas, especially from DD/P into DD/S.
7. The DD/S confer with the DD/I, establish a program for the rotation of administrative career personnel between the two areas, and develop other broad policies designed to incorporate DD/I more fully into Agency support planning activities.
8. The DD/S discontinue liaison-type Special Assistants, and instead develop a small personal staff of carefully selected generalists qualified to assist him in developing and coordinating policies of over-all DD/S applications.

I shall make every effort to improve my personal leadership in the fields suggested by the Inspector General.

[REDACTED] ILLEGIB

Continual rotation of DD/S employees from the Office of Logistics, Personnel, Security, and Comptroller as well as general administrators to the DD/P components has been accepted practice. DD/S personnel, in addition to rotation, are regularly scheduled for training courses in Clandestine Services subject matter. Excellent results have been obtained and the practice will be continued. DD/P people have also been enrolled in administrative training courses. All of this results in greater understanding of the necessary administrative practices and operational problems. Greater rotation of DD/P people to DD/S positions will be discussed with the DD/P.

Efforts will be made to establish a rotation of administrative career people in the DD/I area and policies will be designed to incorporate DD/I more fully into Agency support planning activities.

Within the past year, liaison-type Special Assistants in my office have been reduced in number. Those remaining do have responsibility for special assignments but they are also generalists and function as such. Most have had overseas assignments or have worked with the DD/P organizations and understand operational and administrative problems. It is my desire to develop a staff of generalists rather than specialists and particularly a staff who know and understand the Clandestine Services.

CONFIDE

~~CONFIDENTIAL~~

9. a. The SSA representatives of Logistics, Personnel and Comptroller be instructed to refrain from engaging in support activities for which adequate provisions have been made in their parent organizations.

SSA representatives have done much to establish a bond between operations and support and have provided "spot" assistance in all administrative fields. Because of physical proximity to the DD/P offices there has been a tendency for SSA representatives to engage in some support activities provided by major offices. This has decreased greatly and the SSA representatives are devoting their efforts to assisting DD/P in staffing of sensitive matters, coordinating and helping on matters involving major policy, and insuring that Clandestine Services receive adequate, proper and timely support in their activities. I shall continue to make every effort to improve this situation.

- b. The functions and personnel of the [redacted] be transferred to the DD/P and located in the Office of the Executive Officer, DD/P.

I concur in this recommendation and will discuss this matter with DD/P.

- c. There be established on the staff of the DD/P a position of Administrative Officer of senior grade.

The authorities delegated by the DD/P to SSA/DDS do in a sense require that the SSA "serve two masters", but the delegations are clearly on administrative matters. I feel strongly that a DD/P administrative staff should not duplicate DD/S functional components. I believe our present organization has proven its soundness in this respect. However, I should like to discuss this further with the DD/P and comment finally at a later date.

- d. The Administrative functions and authorities delegated by the DD/P to SSA/DDS together with the budget estimate and allotment control functions now performed by the SSA (Comptroller) be transferred to the Administrative Officer, DD/P, recommended in c., above.

There is no question in my mind that the present arrangement whereby the Comptroller furnishes the budget and fiscal service to the DD/P is in the Agency's best interest. I do not concur in returning these responsibilities to the DD/P.

~~CONFIDENTIAL~~

CONFIDENTIAL  
e. The SAA/DDS take the initiative in the development and conduct a program designed to reduce the administrative burden of Clandestine Services Operating Officials by providing maximum support with a minimum of administrative controls.

25X1A

14. The PAP Staff as an entity be abolished and its function of the preparation of Administrative Plans be assigned to appropriate DD/P components.
15. Technical guidance to DD/P components in the preparation of Administrative Plans be provided by the Office of the Comptroller.

Efforts have been and will continue to be made to reduce administrative workload for the operating staffs and divisions. Recent efforts have resulted in the elimination of the annual materiel requirement forecast which has been an excessive burden in both field and headquarters. [redacted]

[redacted] have been rescinded during the first half of 1956. The SAA group will be asked for specific recommendations in this regard.

I do not concur with the recommendation that the PAP Staff as an entity should be abolished. I do believe, however, that it can be reduced and that many of its present functions can be assumed by the administrative staffs of the Divisions and Senior Staffs, and we are moving in this direction.

While it is true that funding, etc., usually constitutes a major part of an Administrative Plan, I believe it would be inappropriate to place this complete responsibility in the Office of the Comptroller because of the joint interest in many of the Administrative Plans between the Comptroller, General Counsel, Logistics, Personnel and other components. Often high level determinations are involved and the small staff representing my office in advice and assistance can aid in administrative policy when the objectives of a project have been determined. This responsibility was at one time in the Office of the Comptroller and we deemed it best to take it out. I do not think we are yet so proficient in this important business that we can or should return it.

ILLEGIB

25X1

Approved For Release 2003/08/05 : CIA-RDP78-04718A002000400028-7

Approved For Release 2003/08/05 : CIA-RDP78-04718A002000400028-7

~~CONFIDENTIAL~~

B. MANAGEMENT STAFF

- 25X1A
1. The mission and functions of the Management Staff contained in Agency Regulation [redacted] be revised to reflect the requirements of Executive Order 10072.
  2. The Management Staff be transferred to the Office of the Director and that it come under the immediate supervision of the DDCI or of an Executive Director if such a position is established.
  3. a. The three separate O&M sections be consolidated into a single staff under the supervision of a Chief, O&M, reporting to the Chief, Management Staff.

DDCI, in discussing the provisions of Executive Order 10072 with the Chief, Management Staff stated that he did not want Management to initiate any action on the provisions of the Executive Order "to systematically review the Agency's program and the economy of its operations." The Inspector General's Office and the Audit Staff share the responsibility for the required functions in this Agency.

While I have no objection to removal of this function from DB/S supervision, I believe it would violate the Director's concept of minimizing the number of component heads reporting to his office. Additional people reporting to the Director is not desirable because of the voluminous responsibilities he now has. It may be more desirable to command, rather than recommend, in what might be termed "management actions" but the tendency to dilute the absolute responsibility of an operator must be avoided. I know of no instance in which a Deputy Director has failed to cooperate with the Management Staff in its present organizational location and I doubt that it would be more effective reporting direct to the Director.

Sectionalizing the small Organization and Methods Staff has been desirable because it has permitted specialization resulting in the ability to deal with problems effectively. Specialists in the field of management who are daily assigned to an operational entity find greater acceptance, more freedom of action and more positive inter-change of ideas than the generalists in the management field who do not "belong" to a specialty or to a specific area of operations.

Inter-change of ideas by regular staff meetings of all O&M offices to discuss across the board problems is desirable and will be implemented.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- b. Staff meetings of all O&M officers be held regularly for the purpose of full discussion of Agency management problems.
4. The O&M Staff training program be accelerated to provide for the assignment of a minimum of two O&M officers annually to external advanced management training courses beginning with FY 1957.
5. The Chief, Management Staff confer with the Director of Training and agree on a program of more active O&M participation in Agency management training courses.
6. The functions of the O&M Staff be revised to reflect more accurately the proper mission of the Management Staff as directed by Executive Order 10072.
- Answered in 3a above.
- I concur in this recommendation and will make the necessary arrangements.
- The Chief, Management Staff will confer with the Director of Training concerning more active participation in management training courses.
- Covered in B-1.

25X1

~~SECRET~~ CONFIDENTIAL

8. a. Complete responsibility and supervisory control of the Vital Materials Repository be transferred from the Office of Communications to the Management Staff.

b. Vital Materials Repository become a branch or section of Records Center and administered by the Chief, Records Center as the senior RM Staff Officer at the site.

I do not concur in this recommendation for the same reasons set forth in 7 above.

It was originally thought that the units should operate separately until the Records Center could complete their transfer and become effective in records retirement. This has been accomplished and I see no reason why the two organizations both dealing with records, either active or retired, would not be one organization receiving technical advice and assistance from the Records Management Staff.

I do not concur however that the Chief of the Records Center be named the senior Records Management Staff Officer at the site. The choice of the Chief, whether he be the supervisor of the Vital Documents Repository, the supervisor of the Records Center, or another employee should be determined by qualifications and experience of an individual in Records Management work.

Revision of this regulation is now in process.

25X1A

9. Agency Regulation [ ] be revised to clarify the responsibility for properly indexing vital materials held in the Repository.

10. a. The designation and appointment of Area Records Officers be discontinued.

I agree that Operating Officials should again be informed of their responsibilities for records management, but I do not believe discontinuance of Area Records Officers would be practical. The Operating Officials must avail themselves of the seniors of the Records Management Staff, but they will do it through a knowledgeable individual who understands his parent organization and records processing. The appointed employee is also charged by the Operating Official with actively supervising the record processing in his particular office or area daily.

*[Signature]*

It may be desirable to replace some Area Records Officers but I do not concur in the discontinuance of designation and appointment.

- b. Operating Officials be informed of their specific responsibilities for records management and be directed to avail themselves of the services of the O&M Staff.
11. a. The DD/S assume personal responsibility for the Agency regulatory system and ensure that principal supervisors inject adequate command judgment and policy into the system, both in the approval in principle of proposed regulations and in the resolution of intra-Agency disagreements.

I recognize that regulations will always be a source of criticism, some justified, some unjustified. However, the fact that it is a complicated problem demands personal attention and responsibility.

A new procedure issued by my office 30 June 1956 names the Assistant Deputy Director (Support) as the initial screening point of proposed regulatory material. If the proposed issuance is satisfactory, the ADD/S will authorize appropriate coordination by the originating office within the Support Services. The ADD/S and DD/S, upon receiving Support Services concurrences, will approve and send the proposed issuance to DD/P, DD/I and the Inspector General for coordination. If coordination is obtained, the regulation will be published. If not, ADD/S will discuss with the originating and concurring offices the proposed revisions and by obtaining agreement with all offices concerned authorize publication.

I believe that with the responsibilities placed in ADD/S, past deficiencies in the regulatory process will be eliminated.

b. The Regulations Control Staff be removed from the Management Staff and attached directly to the Office of the DD/S under the direction of a competent senior Special Assistant for Regulatory Issuances.

I do not believe that the Regulations Control Staff should report directly to my office. There are enough people reporting directly now, and as control and supervision is exercised by both the ADD/S and myself, I cannot believe that an additional Special Assistant and organizational attachment of the Regulations Control Staff would be desirable.

25X1

- 25X1
12. a. The [redacted] SSA/DDS, and the four Regulations Control Staff personnel presently detailed in the DD/P area, be joined into one Publications Unit and assigned permanently to the DD/P.

The transfer of the [redacted] to the DD/P will be effected in the very near future. The Regulations Control Staff should not be transferred to DD/P but should be physically located with Regulations Control Staff to aid in the processing of Agency regulations.

25X1

25X1

b. The Chief of the [redacted] SSA/DDS, be commended by the SSA/DDS for his diligence and devotion to duty in continuing his unremitting efforts to discharge his publications responsibilities in the face of unusually difficult and trying conditions.

A letter of commendation will be prepared for the Chief of the Publications [redacted] (I have worked with [redacted] and he certainly deserves commendation.)

25X1

25X1A9A

This is a very sound recommendation and will be implemented at once.

13. The Chief, Management Staff, confer with the AD/CR and agree upon an aggressive program utilizing the joint resources of the Business Machines Services Staff, Management Staff, and the Machine Division, OCR, to search for and identify areas throughout the Agency, especially at the office and divisional level, wherein machine techniques can contribute effectively to the solution of long-range Agency information handling problems and jointly recommend specific solutions as appropriate.

CONFIDENTIAL

CONFIDENTIAL

SECRET

14. a. The Chief, Management Staff prepare and circulate throughout the Agency informal brochures explaining in simple terms recent advances in and possible applications of newly developed office business machines and related equipment.

b. The Chief, Management Staff confer with the Director of Training and agree upon a procedure for utilizing the facilities of the Office of Training for educating and indoctrinating appropriate Agency personnel on the activities, responsibilities and potential value of the Business Machines Services Staff.

This is also a good recommendation and will be placed in effect in the near future. Recently the Management Staff held an open house exhibit in the DD/P area on available and up-to-date dictation machines. Other exhibits of this type would be very profitable.

Although the activities, responsibilities and potential value of the Business Machine Services Staff is called to the attention of students in various training courses further effort will be made to bring the Staff's activities to appropriate Agency personnel. The Director of Training expects to publish some material on the subject in the Training Bulletin.

25X1A

15. a. Appropriate Agency regulations, reflecting the provisions of the Incentive Awards Act of 1954, the Civil Service Commission regulations of 9 November,<sup>55</sup> the staff study on awards approved by the DCI on 1 March 1956, and other pertinent Agency policies be published as a matter of priority.

The preparation of the regulations recommended is now in process.

- b. The membership of the Incentive Awards Board be realigned to provide broader operational and substantive membership and that the Chairman of the Board convene meetings as frequently as necessary to eliminate the Agency backlog by 31 December 1956.

25X1A  
25X1A  
The Incentive Awards Board has been realigned as evidenced by [redacted] 7 July 1956. The Board now consists of the Chief, Management Staff as Chairman and two members from each of the major components. There is also an advisor from the Personnel Office and the Security Office. This provides across the board representation. Meetings have appeared to be adequate and emphasis has been placed in reducing the backlog. Approximately 950 suggestions have been processed this year. The problem is the length of time required by officers for evaluation. We hope to reduce this time and make the operation current.

~~CONFIDENTIAL~~

c. Upon publication of the basic regulation establishing the Program, an immediate and well conceived program publicizing the Incentive Awards Program be initiated by the Staff under the guidance of the Incentive Awards Board. In the event disagreement over the scope of the campaign develops within DD/P, the matter should be referred to the DCI for decision.

d. The Chief of the Management Staff take immediate action to upgrade the professional positions on the Incentive Awards Staff and insure that the positions are filled by the most highly qualified and experienced personnel available.

e. The Chief of the Incentive Awards Staff and the Chairman of the Incentive Awards Board make greater use of independent organization and management studies on the value of suggestions which relate to the basic functions of an appraising office.

f. The Incentive Awards Board establish and adhere to more liberal policies and award scales applicable to intangible benefits in order to stimulate greater employee participation in this important aspect of the program.

A four page all employee newsletter is going to the printers 20 August 1956 which will provide publicity for both the Suggestion and Honor Awards Programs. This will stimulate employee actions.

The grades have been reviewed by the classification people of the Personnel Office and are adequate for the duties performed or contemplated. I do not think upgrading is necessary to improve programs. The most highly qualified and experienced people will fill the Incentive Awards Staff positions.

The Management Staff has been instructed to continue this policy.

The Committee adopted a more liberal policy in May of this year and I feel that with this new policy and greater emphasis on publicity the program should accelerate.

NOTE: In line with the IG's comment which was not presented in the form of a recommendation, I definitely agree that the Management Staff offers an excellent medium for career development and should be included in the career planning of senior officers. [ ] has sent a memorandum to the Director of Training and the Director of Personnel on this matter and steps will be taken to place management training in the career planning program.

25X1A9A

~~CONFIDENTIAL~~

C. GENERAL COUNSEL

1. The General Counsel discontinue non-legal activities, such as rewriting regulations for the DD/S, and concentrate maximum effort on the development of a well organized volume of precedents and interpretations setting forth in an orderly and detailed manner the meaning and significance of the various statutes and directives applicable both to the Agency and to the intelligence community as a whole.

Several attempts have been made to eliminate regulatory review and rewriting by the Office of General Counsel, but I have found their review and rewriting on occasions has been necessary to assure that regulatory material is consistent with law. I hope, however, that new procedures will lessen considerably the non-legal aspects of the General Counsel's participation in writing regulations. With regard to providing interpretations on basic statutes and similar matters, it has been the philosophy of the General Counsel to avoid legalistic approaches to substantive intelligence problems. The important matter seems to be the basic statutory organization of the intelligence community and the place of the Director of Central Intelligence in government. The General Counsel's Office has repeatedly been involved in this fundamental and subtle problem. Legal analysis has been helpful but the development should proceed on substantive rather than legalistic lines. This allows flexibility of action without relating such action to legal interpretations which may be hampering under changing conditions. I agree with the General Counsel in his thinking that the real lack is the development of more literature on the law in intelligence which would be expounding our philosophies and legal concepts for future reference. A young lawyer in the General Counsel's Office is now concentrating in this field.

2.

The General Counsel and I feel there is merit in rewriting some of the regulations as suggested but feel that some separation may be more useful to the user than an attempt at one compilation. I am aware that considerable work remains to be done for the tax unit functions to be more effective.

~~CONFIDENTIAL~~

~~SECRET~~  
**CONFIDENTIAL**

- b. The General Counsel confer with the Director of Training and agree upon procedures for using the resources of the Office of Training to educate personnel, especially in the Clandestine Services, on Agency tax procedures and responsibilities.
- 3. The DD/S and the General Counsel explore all alternatives and arrive at a solution which will permit the retention of the present legal service within the DD/P area.
- 4. a. The General Counsel develop an affirmative attitude towards requests for legal advice and seek to support to the maximum the goals and objectives of operating components.  
  
b. The General Counsel adopt a positive program of making written recommendations to the DD/S and DCI on areas within the Agency wherein procedures and operations having major legal implications may be streamlined and improved.
- 5. a. The DD/S review and establish in conclusive terms the specific functions which he desires the General Counsel to exercise.

The General Counsel will proceed to confer with the Director of Training to develop a more general education on tax matters.

Legal service will be provided the DD/P but location will probably not be satisfactorily resolved until we are located in the new building.

The General Counsel and I are in complete agreement with the recommendation that an affirmative attitude towards "clients" is a basic essential of a law office. From a review of past actions of the Office of the General Counsel I have found that they have seldom been unable to devise a way of meeting the requirements of clandestine activities in the field of law. However there are occasions where lawyers have to point out that law or regulation prohibits or limits proposed actions.

The General Counsel's Office does this but mainly by advice and counsel at the staff and office level. When an issue of basic policy is involved the General Counsel's Office does present his recommendations to the DCI and my office. With the staff available to the General Counsel I believe the procedure as described is sufficient.

Specific functions of the General Counsel's Office have been reviewed periodically and these functions are outlined in Agency Regulation [redacted] dated 17 February 1956. My conclusion after study is that the assignment of responsibility for all legal matters arising within the Agency is the most practicable and understandable assignment and function.

25X1A

~~CONFIDENTIAL~~

- b. The General Counsel conduct a consumer survey of the value of the General Counsel opinions, and based thereon, re-issue such opinions in a format which clearly expresses their purpose, status and use.
- c. The General Counsel develop and maintain up to date studies and briefs on all laws and court decisions bearing upon the interpretation of Executive privileges as related to the specific functions and problems of this Agency.
- d. In any over-all review of top echelon assignments of responsibility within the Agency, consideration be given to returning the legislative liaison function to the General Counsel.

The General Counsel's Office is constantly, although informally, surveying the value of their opinions and do re-issue opinions when necessary.

It is my opinion and that of the General Counsel that the General Counsel's Office has kept up-to-date studies on court opinions bearing on the specific functions and problems of the Agency.

I have never thought that it was functionally proper for the Legislative Counsel to be attached to the Inspector General's Office. However, I concurred in such organizational placement because of the unique qualifications of Mr. Kirkpatrick personally. From a strictly functional point of view, disregarding personalities, I believe that the Legislative Counsel should be properly placed in the Office of the General Counsel, or as an alternate suggestion, named a Special Assistant to the Director. However, the latter suggestion would result in another individual reporting to the Director. This, of course, is not desirable. Also, if he were named a Special Assistant to the Director he should attend the Deputies Meetings and this, I believe, is in conflict with the principle of keeping those meetings small in size.

Although a specific recommendation was not made to attach the General Counsel's Office to the Office of the Director, it was suggested in the IG's Report that in some future over-all evaluation of the Agency's organization, consideration be given to attaching the General Counsel directly to the Office of the Director. I never have, and do not now, raise any

~~CONFIDENTIAL~~

objection to the General Counsel reporting to the Director. However, the attachment of Mr. Houston's office to the Office of the Director would mean one more function reporting to Mr. Dulles and this, I believe, is undesirable. Mr. Houston would render the same efficient service regardless of where he is located organizationally and therefore any such change would not be sufficiently beneficial to warrant the action.

In reply to another statement by the Inspector General, it is my judgment that Mr. Houston should attend the Deputies meetings if he is transferred to the Director's Office.

~~CONFIDENTIAL~~